

EXHIBIT 8

1

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -x

5 In the Matters of:

6 RESIDENTIAL CAPITAL, LLC, et al.,

7 Debtors.

Case No. 12-12020-mg

8 -x

9 RESIDENTIAL CAPITAL, LLC, et al.,

10 Plaintiffs,

11 - against -

Case No. 13-01343-mg

12 UMB BANK, N.A. IN ITS CAPACITY AS

13 INDENTURE TRUST,

14 Defendant.

15 -x

16 OFFICIAL COMMITTEE OF UNSECURED

17 CREDITORS, et al.,

18 Plaintiffs,

19 - against -

Case No. 12-01277-mg

20 UMB BANK, N.A., et al.

21 Defendants.

22 -x

23

24

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RESIDENTIAL CAPITAL, LLC, ET AL.

1 MR. ROSENBAUM: We'll do so.

2 Your Honor, the next matter on the calendar is --
3 sorry, Your Honor. This is the debtors' objection to the proof
4 of claim filed by the -- in the California litigation.

5 THE COURT: Yes.

6 MR. ROSENBAUM: I'm going to cede the podium to my
7 colleague, Daniel Harris.

8 THE COURT: Mr. Harris.

9 MR. HARRIS: Good morning.

10 THE COURT: I usually disclose at times like this,
11 that Mr. Harris is one of my former law clerks, and I'm happy
12 to have him here appearing before me.

13 Go ahead, Mr. Harris.

14 MR. HARRIS: Good morning, Your Honor. Daniel Harris
15 from Morrison & Foerster, on behalf of the debtors. With me is
16 Regina McClendon from Locke Lord, as special litigation counsel
17 to the debtors in this matter.

18 MR. TORCHIA: And Vito Torchia on behalf of the -- on
19 behalf of the Hairston debtors (sic).

20 THE COURT: All right. Go ahead Mr. --

21 MR. TORCHIA: Creditors, excuse me.

22 THE COURT: Go ahead, Mr. Harris.

23 MR. HARRIS: Ms. McClendon is most familiar with the
24 underlying litigation, and can answer any questions Your Honor
25 has regarding the underlying allegations made and what I'll

RESIDENTIAL CAPITAL, LLC, ET AL.

1 refer to as the California litigation claims.

2 Your Honor, I corresponded with chambers on Monday and
3 respectfully requested that this be converted into a status
4 conference in light of recent actions taken by opposing counsel
5 in responding to the debtors' objection. I understand that
6 opposing counsel has objected to calling this a status
7 conference, and instead it will be going forward as a hearing.

8 THE COURT: I'm having a hearing. That's what I'm
9 having. And you can call it what you want. It's a hearing.

10 MR. HARRIS: And in that event, we're prepared to go
11 forward to address our objection to the 549 proofs of claim
12 filed by counsel, alleging over 713 million dollars in claims
13 against the debtors.

14 THE COURT: Well, let me ask you this, Mr. Harris.
15 You filed the claim objection and the claimants filed amended
16 claims. That much is right?

17 MR. HARRIS: That's correct.

18 THE COURT: And you've not filed a new objection to
19 the claims?

20 MR. HARRIS: We have not. Not yet, Your Honor. They
21 are -- there are sixty claims, and we'll need -- they attached
22 a 250-page complaint. It'll take some time to go through that.

23 THE COURT: Yes, I went to look at it today yesterday,
24 and I saw it was over 250 pages, and I found that daunting,
25 since I don't really have an objection to the new claim. But

RESIDENTIAL CAPITAL, LLC, ET AL.

1 it raised -- it seemed to me to raise a number of issues.

2 There are -- let me find my notes on this.

3 Let me ask -- before I do that, let me ask a couple of
4 questions. There was prior litigation in another court before
5 the bankruptcy was filed. What court was that in?

6 MR. HARRIS: It was in the central -- federal court in
7 the Central District of California.

8 THE COURT: Okay. And am I correct that on September
9 24th, 2012, the court granted the motion to dismiss the
10 complaint without prejudice as to the first six causes of
11 action, and with prejudice as to the seventh and eighth causes
12 of action?

13 MR. HARRIS: That's correct, Your Honor.

14 THE COURT: Okay. And the plaintiffs then filed an
15 amended complaint?

16 MR. HARRIS: That's right. And it is that amended
17 complaint which serves as the basis for the initial claims that
18 were filed prior to the bar date.

19 THE COURT: And then the nondebtor defendants filed a
20 motion to dismiss the amended complaint, and before that was
21 heard, the plaintiffs withdrew the complaint?

22 MR. HARRIS: That's -- they voluntarily withdrew the
23 complaint in California. That's correct, Your Honor.

24 THE COURT: Okay. And in the amended claims that they
25 have filed here, they've asserted new causes of action that

RESIDENTIAL CAPITAL, LLC, ET AL.

1 were not asserted in the original claims?

2 MR. HARRIS: Yeah. Your Honor, based on our review of
3 the supposed amended claims or the amended complaint attached
4 to the claims, they raise at least one new cause of action that
5 wasn't raised in the first complaint and at last on its face
6 raise several additional -- up to eighteen additional counts in
7 the complaints.

8 THE COURT: Okay.

9 MR. TORCHIA: Your Honor, this is actually a --

10 THE COURT: No --

11 MR. TORCHIA: -- here. We raised --

12 THE COURT: Could you wait until I call on you? Can
13 you please be quiet until I call on you? I permit people to
14 appear by phone, but I'll -- when it comes time for you to
15 speak, I'll give you an opportunity to do that.

16 MR. TORCHIA: I apologize.

17 THE COURT: All right. So, Mr. Harris, one of the
18 things that's sort of vexing me is that -- and particularly
19 because you haven't filed a new objection to the amended
20 claims, is whether -- because of the additional claims that are
21 added, whether they're timely filed. And as I understand the
22 rule, courts generally follow the rule that amending a timely
23 filed claim is permitted only where the original claim states
24 "as an explicit demand showing the nature and amount of the
25 claim against the estate and evidences an intent to hold the

RESIDENTIAL CAPITAL, LLC, ET AL.

1 debtor liable." That's from 4 Collier paragraph 501.02(4).

2 And the First Circuit, in Hemingway Transportation,
3 954 F.2d 1 (1st Cir. 1992) sets forth the standard for when to
4 permit a creditor to amend a proof of claim. And I don't know
5 whether you're going to contest the amended claim as asserting
6 claims that they're not -- that are not timely and they're not
7 permitted to assert. Neither party has, at this stage, briefed
8 the issue whether the claimants' amended proofs of claim are
9 proper. And to the extent that the Court ultimately determines
10 they are, it would be true that your objection to the original
11 claim would be mooted, if the new claims they assert are
12 properly asserted now.

13 So I'll hear from other counsel. But my initial
14 reaction is okay, they -- you filed your objection; they filed
15 amended claims. I'm going to give the debtors an opportunity
16 to file objections to the amended claims, including if you're
17 going to contest that they're not timely, that they can't
18 assert the additional claims that they purport to assert, you
19 can raise that.

20 I'm not sure why the claimants objected to this going
21 forward as a status conference. They argue that your objection
22 is moot. It may or may not be. I don't know. But the debtors
23 need to have an opportunity to assess the extremely lengthy
24 amended claims that have been filed. What's your response to
25 that, Mr. Harris?

RESIDENTIAL CAPITAL, LLC, ET AL.

1 MR. HARRIS: Your Honor, we're certainly prepared to
2 brief the issue of whether or not the claims are timely filed
3 post bar date amendments, or whether or not they assert new
4 claims. Just our review -- our initial review of the claims
5 suggests that we'll be able to meet the standards announced by
6 the Second Circuit in Enron and by Your Honor in Barquet Group,
7 about amending proofs of claim.

8 We haven't briefed that issue mostly because of the
9 process here.

10 THE COURT: Sure.

11 MR. HARRIS: The claims were filed on the same date
12 that the objection was due. We had a couple-of-day lag until
13 we were able to get the claims. And then eleven days after the
14 objection deadline, a response arguing that the amendments make
15 our objection moot was filed. I looked at -- I've studied
16 their objection; I've looked at the cases. I think their
17 suggestion that the claims are somehow mooted -- or our
18 objection is mooted by the filing of the amended claims is
19 dubious at best. I don't think the cases that were cited stand
20 for that proposition. We're certainly prepared to brief the
21 issue on the amended claims.

22 THE COURT: What I'm not -- let me just interrupt you
23 for this purpose. What I'm not going to permit is for you to
24 file another objection, and then as soon as it's filed, they
25 file another amended claim. We're not going to do this over

RESIDENTIAL CAPITAL, LLC, ET AL.

1 and over again. So let me hear from the claimants' counsel,
2 and then I'll give you a chance to respond, Mr. Harris. Okay?

3 MR. HARRIS: Thank you, Your Honor.

4 THE COURT: Thank you. Counsel, now it's your turn to
5 go ahead.

6 MR. TORCHIA: Thank you, Your Honor.

7 THE COURT: Tell me your name again?

8 MR. TORCHIA: Our amended complaint --

9 THE COURT: Tell me your name again?

10 MR. TORCHIA: -- the nature of the complaint is
11 exactly the same. It was just reorganized. Claimants -- it's
12 the same operative, we feel, facts. And has -- it states the
13 existence, nature, and amount of claims, they're not -- it does
14 not differ. There's nothing different. The conditions are the
15 same, and the nature of the claims are the same.

16 They've just been reorganized for the Court and for
17 opposing counsel for clarity. So -- which they first called
18 for in their objections. So that's what -- that was the nature
19 of the amended complaint. So we're allowed to amend the
20 complaint.

21 THE COURT: Are you finished amending?

22 MR. TORCHIA: Yes.

23 THE COURT: All right. Mr. Harris --

24 MR. TORCHIA: And -- excuse me, Your Honor. I'm
25 sorry. But Your Honor, and our amendments were aimed to

RESIDENTIAL CAPITAL, LLC, ET AL.

1 address opposing counsel's objections.

2 THE COURT: Yeah, but one thing I want to make

3 clear --

4 MR. TORCHIA: More specificity. We added more
5 specificity.

6 THE COURT: What I want to make clear is, because for
7 example, you had fraud claims and you didn't allege fraud with
8 particularity -- that was among the objections, probably well
9 taken to the original claim. But the point I want to make and
10 I'll have an order entered to this effect, we're not going to
11 do this over and over again.

12 If you're prepared to stand on the amended claims you
13 filed, that's fine. The debtor will go forward, and if it
14 chooses, file objections to the claims. You can respond, and
15 we'll go forward with a hearing. But with a 250-page -- pages
16 of claims, I'm not going to have this done over and over,
17 because the expense to the estate of having to go forward each
18 time and address newly amended claims.

19 I'm not saying it was improper for you to amend the
20 claims. I'm not saying that at all. But I just -- what I want
21 to be clear is, I'm asking you, are you prepared to stand on
22 the claims as amended?

23 MR. TORCHIA: Yes.

24 THE COURT: Okay.

25 MR. TORCHIA: To the extent that the opposing counsel

RESIDENTIAL CAPITAL, LLC, ET AL.

1 doesn't object and/or we're allowed to respond to any
2 objections that they have due to lack of specificity.

3 THE COURT: No, we'll go forward. I mean, I'm
4 assuming the debtor's going to go forward and file an objection
5 to the amended claims. And you'll have an opportunity to
6 respond to that, and they'll have an opportunity to reply, and
7 a hearing will be set, and the Court will render a decision.

8 MR. TORCHIA: Well, I would respectfully --

9 THE COURT: But you're going to have to be here for
10 the next hearing. We're not going to do this with you on the
11 telephone. So here's what I --

12 MR. TORCHIA: Understandable.

13 THE COURT: -- I'm asking you to do. Stop.

14 MR. TORCHIA: But --

15 THE COURT: Stop.

16 MR. TORCHIA: -- to --

17 THE COURT: Stop. Here's what I'm directing. Mr.
18 Harris, confer with counsel -- opposing counsel, and try and
19 work out a schedule for the filing of objections to the amended
20 claim, his response, your reply. And we'll get it set for one
21 of the omnibus -- see if you can agree on an omnibus hearing
22 date when they'll be heard.

23 As you know, I like to have the reply brief at least a
24 week before the hearing. And put that schedule in a
25 stipulation and submit it to chambers. If you can't agree,

RESIDENTIAL CAPITAL, LLC, ET AL.

1 we'll arrange a telephone conference with opposing counsel, and
2 I'll set the schedule. But you ought to be able to agree on
3 it, okay?

4 MR. HARRIS: Sure. Just one point --

5 THE COURT: Go ahead.

6 MR. HARRIS: -- Your Honor. We have deadlines in our
7 solicitation procedures to get objections on file for voting
8 purposes.

9 THE COURT: Okay.

10 MR. HARRIS: So I anticipate that we'll want to get
11 our objection to this claim on file before September 20th,
12 which is in our solicitation procedures, and we'll go from
13 there.

14 THE COURT: Okay. Well, that's -- the sooner you -- I
15 have no problem. Earlier filing your objection is better from
16 my standpoint. But you need to work out -- I want a
17 stipulation that -- because it's so voluminous, that I want a
18 stipulation that sets the schedule for your deadline for your
19 objection, their response, your reply and a hearing date.
20 Okay?

21 MR. HARRIS: Will do, Your Honor.

22 THE COURT: All right. Counsel, do you understand?
23 You'll talk with Mr. Harris, work this out?

24 MR. TORCHIA: Will do. Will do.

25 THE COURT: Okay. Thank you.